

Message Text

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PAGE 01 PORT L 00460 020807Z
ACTION EB-07

INFO OCT-01 AF-10 ISO-00 L-03 IO-13 NSC-05 AID-05
CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 TRSE-00
XMB-02 OPIC-03 SP-02 LAB-04 EPG-02 SIL-01 OMB-01
SSO-00 INRE-00 NSCE-00 /069 W
-----020812Z 090702 /17

O R 020722Z MAY 77
FM AMEMBASSY PORT LOUIS
TO SECSTATE WASHDC NIACT IMMEDIATE 6674
INFO AMEMBASSY ABIDJAN

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PASS: STATE FOR WINDER AND DUNCAN AND TREASURY FOR ZINMAN
AND MEIGHER

E.O. 11652: N/A
TAGS: EAID EFIN AFDF AFDB
SUBJECT: US POSITION ON MAINTENANCE OF VALUE IN AFRICAN
DEVELOPMENT FUND

REF: STATE 098131

1. US REPS DISCUSSED WITH FUND MANAGEMENT APPLICABILITY OF MAINTENANCE OF VALUE TO (1) ADDITIONAL \$10 MILLION US SUBSCRIPTION AND (2) TO SECOND REPLENISHMENT.
2. FUND MANAGEMENT'S INITIAL POSITION WAS THAT ANY AVOIDANCE OF MOV OBLIGATIONS WOULD REQUIRE AMENDMENT TO FUND'S ARTICLES OF AGREEMENT. HOWEVER, IN DISCUSSION, MANAGEMENT WELCOMED U.S. INTEREST IN REPLENISHMENT EXERCISE AND AGREED THAT MOV SHOULD BE A CENTRAL ISSUE IN SECOND REPLENISHMENT DISCUSSIONS IN VIEW OF STRONG USG INTEREST IN THIS MATTER.
3. MANAGEMENT ADAMENT, HOWEVER, THAT IT WOULD BE IMPOSSIBLE

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PAGE 02 PORT L 00460 020807Z

TO PASS A BOARD OF GOVERNORS RESOLUTION AT THIS MEETING EXPLICITLY EXEMPTING U.S. FROM MOV WITH RESPECT TO CURRENT PROPOSED \$10 MILLION CONTRIBUTION. FUND STRESSED DIFFICULTY OF CONVINCING SUFFICIENT NUMBER OF GOVERNORS TO EXPLICITLY EXEMPT U.S. FROM OBLIGATION APPLICABLE TO SUBSCRIPTIONS OF ALL OTHERS TO DATE. THIS VIEW WAS CONFIRMED IN PRIVATE CONVERSATION WITH GERMAN DIRECTOR (OSTERHAUS) WHO INDICATED HE WOULD OPPOSE SUCH A

PROPOSAL IN BOARD WHERE IT WOULD HAVE TO BE DISCUSSED PRIOR TO
SUBMISSION TO BOARD OF GOVERNORS.

4. FUND MANAGEMENT OFFERED TO NEGOTIATE EXCHANGE OF NOTES
SIMILAR TO THAT CARRIED OUT IN MAY, 1976 FOR INITIAL U.S.
SUBSCRIPTION. UNDER THIS ARRANGEMENT, U.S. WOULD PAY IN CAST,
AND FUND WOULD CONVERT THE DOLLARS INTO OTHER CURRENCIES,
IMMEDIATELY, THEREBY AVOIDING MOV.

5. AMBASSADOR BOLEN SCHEDULED TO MEET WITH FUND MANAGEMENT
TUESDAY 1300 HOURS REGARDING A RESOLUTION AT THIS MEETING
AUTHORIZING A U.S. SUBSCRIPTION OF UP TO \$10 MILLION. U.S.
DEL AND MANAGEMENT AGREE THAT PASSAGE OF AUTHORIZING RESOLUTION
AT THIS MEETING WOULD BE MOST ADVANTAGEOUS. DELEGATION BELIEVES
THAT FURTHER PRESSING ISSUE OF MOV ON \$10 MILLION WOULD BE
COUNTERPRODUCTIVE AND SUGGESTS ACCEPTANCE OF FUND PROPOSAL PER
PARA 4.

6. REQUEST WASHINGTON CONCURRENCE VIA NIACT IMMEDIATE RESPONSE.
KEELEY

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, FUND ALLOTMENT, DEVELOPMENT BANKS
Control Number: n/a
Copy: SINGLE
Sent Date: 02-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
Errors: N/A
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Format: TEL
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Handling Restrictions: n/a
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Litigation History:
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